

Administrative Determination
Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)
U.S. Department of the Interior - Bureau of Land Management
Anchorage Field Office

A. Describe the Proposed Action

Marathon Oil Company has proposed drilling a new gas well located on lease A-028142 in the Kenai Tyonek Unit/Kenai Gas Field. The well will be named the KTU 32-7 and is located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ section 7, T. 4 N., R. 11 W., S.M. The well will be located on pad 41-7 and will be completed in the Tyonek and/or Beluga and/or Sterling formations. Surface estate is owned by the Salamatof Native Association, Inc. (Salamatof) and managed by the Cook Inlet Regional, Inc (CIRI). The mineral estate is owned by the United States and managed by the BLM.

This drilling activity is necessary to further develop the known gas reserves within the field and will provide additional reserves necessary to meet current gas demands. The KTU 32-7 well will be drilled to a depth of approximately 8,950 feet (measured depth 9,430 feet; true vertical depth 8,950 feet). Twenty inch (20") conductor pipe will be driven to a depth of 80 to 100 feet. Thirteen and three-eighths inch (13 $\frac{3}{8}$ ") surface casing will be set at 1,500 feet, 9 $\frac{5}{8}$ " intermediate casing will be set at 5,660 feet and a 7" production string will be set from the surface to 9,430 feet. Each casing string will be cemented in place to ensure isolation and protection of subsurface resources. Production will occur through smaller diameter tubing set into the 7" casing string.

Work is proposed to commence in June/July 2000, and should take approximately 4-5 weeks to complete. Should the well prove productive it will be processed through the existing facilities on the 41-7 well pad. Minor modifications may be necessary to accommodate the additional production. The existing production pipeline system will be used to transport the gas to the appropriate compression and sales facility. No new or additional surface disturbance outside of previously disturbed lands will be necessary. All drilling fluids will be contained within a closed steel tank system that will utilize de-sanders and de-silters to recycle and re-use the drilling muds and fluids. All cuttings and produced fluids will be disposed of into an approved disposal well (the KU 11-17 well) within the Kenai Field. Septic/sewage/gray water will be self-contained on site and hauled away by contract disposal. Water for drilling will be obtained from the existing water well on pad 41-7. Should the well prove incapable of production it will be plugged and abandoned in accordance with state and federal regulations. Surface reclamation will be in accordance with the Salamatof Native Association and CIRI.

Administrative Determination (Cont'd.)

B. Land Use Plan (LUP) Conformance

The BLM has not developed a land use plan for surface or subsurface oil and gas development in the Kenai Peninsula area. However, this environmental analysis assesses nearly the same impacts to those of the proposed action described in EA No. AK-040-99-022 (Kenai Gas Field Development Wells 33-6 and 42-7, August 1999) and provides a basis for a decision on the proposal in accordance with federal regulations (Title 43 Code of Federal Regulations, Part 1610.8 (b)(1)).

C. Identify applicable NEPA documents and other related documents that cover the Proposed Action.

EA No. AK-040-99-022; Kenai Gas Field Development Wells 33-6 and 42-7, August 1999.

D. NEPA Adequacy Criteria

- 1. Is the current Proposed Action substantially the same action (or is a part of that action) as previously analyzed? Is the current Proposed Action located at a site specifically analyzed in an existing document?**

The Proposed Action is almost identical to that described in EA No. AK-040-99-022. The Proposed Action will utilize the already existing 41-7 well pad and production facility as is described in the EA. The KTU 32-7 well will be located 150 - 200 feet from the well analyzed in the Proposed Action for the referenced EA.

- 2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current Proposed Action, given current environmental concerns, interests, and resource values?**

The range of alternatives analyzed in the existing NEPA analysis is the same that would be analyzed for the Proposed Action. The Proposed Action has two reasonable alternatives; allow or deny the drilling of the KTU 32-7 well. The AK-040-99-022 EA is less than one year old.

Administrative Determination (Cont'd.)

- 3. Is the existing analysis valid in light of any new information or circumstances?**

There have been no known significant changes in the environment, no new information, or no significant changes in circumstances that would change the validity of the referenced NEPA analysis.

- 4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be appropriate for the current Proposed Action?**

The methodology and analytical approach used in the referenced EA remains valid. The level of detail is the same as would be required for the Proposed Action.

- 5. Are the direct and indirect impacts of the current Proposed Action substantially unchanged from those identified in the existing NEPA document(s)? Does the existing NEPA document analyze site-specific impacts related to the current Proposed Action?**

The type of direct and indirect impacts analyzed in EA-AK-040-99-022 are identical to those anticipated for the Proposed Action. The affected environment and site specific impacts analyzed are identical to those expected for the Proposed Action. The KTU 32-7 well will be located 150 - 200 feet from the wells analyzed in the EA.

- 6. Are the cumulative impacts that would result from implementation of the current Proposed Action substantially unchanged from those analyzed in the existing NEPA document(s)?**

The anticipated direct, indirect and cumulative impacts described in the referenced EA is essentially the same as would reasonably be expected from the Proposed Action.

- 7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current Proposed Action?**

The level of public involvement and agency reviews for the referenced EA is appropriate for the Proposed Action. The Application for Permit to Drill was posted for 30 days prior to approval. No comments were received.

AD No.: AK-040-AD00-017

Case File No.: A-028142

Applicant: Marathon Oil Company

Administrative Determination (Cont'd.)

- E. Interdisciplinary Analysis:** Identify those team members conducting or participating in the NEPA analysis and preparation of this worksheet.

See Attached NEPA routing sheet and specialist's worksheets.

F. Conclusion

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan or is in accordance with federal regulations (Title 43 Code of Federal Regulations, Part 1610.8 (b)(1) and that the NEPA documentation fully covers the Proposed Action and constitutes BLM's compliance with the requirements of NEPA.

/s/ Clinton E. Hanson, Acting
Anchorage Field Manager

05-30-00
Date